DESCRIPTION AND JUSTIFICATION
John Staurulakis, Inc. Tariff F.C.C. No. 1
Transmittal No. 97
Fort Mill Telephone Company (SC)

Fort Mill Telephone Company (Fort Mill), through its consultant John Staurulakis, Inc. (JSI) hereby provides a Description and Justification for its individual rates proposed under Transmittal No. 97 of the John Staurulakis, Inc. Tariff F.C.C. No. 1 (JSI Tariff). Fort Mill is an Issuing Carrier of the JSI Tariff. Fort Mill files interstate access rates on a prospective basis pursuant to Section 61.38 of the Commission's rules.

Description of Filing

The accompanying revised tariff material has been filed by JSI in order to comply with the rules and regulations of the Federal Communications Commission (Commission) with respect to annual access charge filings.

The JSI Tariff F.C.C. No. 1 governs the provision by Fort Mill of interstate Switched Access, Special Access and Miscellaneous Services. The instant filing revises Fort Mill's rates for those services.

The instant filing is made in accordance with the Commission's April 19, 2004 release entitled In the Matter of Material to be Filed in Support of 2004 Annual Access Charge Tariff Filings, Tariff Review Plans, DA 04-1048 (*2004 TRP Order*), together with the June 10, 2004 release entitled In the Matter of Material to be Filed in Support of 2004 Annual Access Charge Tariff Filings, Tariff Review Plans, Errata, DA 04-1700 (*2004 TRP Errata*). As Fort Mill's proposed rate revisions are limited to decreases, this filing is made on seven days notice under Section 204(a)(3) of the Communications Act.

Justification for Cost Support and Rate Development

In addition to the summary information provided herein, the cost support data associated with this filing is contained in one volume comprising Attachments #1-9. The Certification of the cost support data for this filing is shown in Attachment #10 included separately. All required Tariff Review Plan Schedules (TRP Schedules) are included with the cost support material in accordance with the aforementioned 2*004 TRP Order* and *2004 TRP Errata*.

In accordance with Section 61.38(b)(1)(ii) of the Commission's rules and regulations, a projection of Fort Mill's costs has been made for the fiscal year ending June 30, 2005 (also referred to herein as the July 1, 2004-June 30, 2005 Test Year Cost of Service or "TYCOS"). The costs for the twelve (12) month period ending June 30, 2005 (TYCOS) have been based on financial estimates and projections of Fort Mill, and are summarized as follows:

Summary Development of Traffic Sensitive Revenue Requirement .....Attachment #1

Part 69 - Access Charge Development .....Attachment #2

Part 36 – Separations of Costs .....Attachment #3

Unseparated Cost Information .....Attachment #4

In accordance with Section 61.38(b)(1)(i) of the Commission's rules and regulations, attached is a cost of service study for the most recent twelve (12) month period ending December 31, 2003, identified as follows (also referred to herein as the 2003 Prior Year Cost of Service or "PYCOS"):

Summary Development of Traffic Sensitive Revenue Requirement .....Attachment #5

Part 69 - Access Charge Development.....Attachment #6

Part 36 – Separations of Costs.....Attachment #7

Unseparated Cost Information.....Attachment #8

Based on the accompanying analyses at Attachments 1 through 9, the annual filing of Fort Mill Telephone Company resulting in rate decreases is compliant with applicable Commission rules and otherwise reasonable in all respects.